

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

In the Matter of:)

Twin Cities Energy, L.L.C.)

US Department of Energy

MAY 26 2009

EA-358

Electricity, Delivery and Energy Reliability

APPLICATION OF TWIN CITIES ENERGY, LLC
FOR AN AUTHORIZATION TO
TRANSMIT ENERGY TO CANADA

Pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. §824a(e), and the Department's Rules and Regulations, 10 C.F.R. §§205.300, *et seq.* (2007), Twin Cities Energy, L.L.C., a Minnesota limited liability company ("Twin Cities Energy" or the "Applicant"), hereby requests authorization to transmit electric energy from the United States to Canada ("Application") for a term of five (5) years (or for such other period as the Department deems appropriate). In support of this Application, Twin Cities Energy respectfully states as follows:

I.

Description of Applicant

The full legal name of the Applicant is Twin Cities Energy, L.L.C, a Minnesota limited liability, formerly known as Alberta Power, L.L.C.,¹ and its corporate office is located in Lakeville, Minnesota. The Applicant's members are:

¹ Name change effected on February 06, 2009, pursuant to an amendment of articles of organization for a limited liability company (Minnesota Statutes Chapter 322B)

Name and Address Of Member

JOHN BEATTY
20300 Judicial Road
Prior Lake, Minnesota 55372

TIM KRIEGER
19555 Oak Grove Avenue
Prior Lake, Minnesota 55372

TOM BEATTY
20300 Judicial Road
Prior Lake, Minnesota 55372

HTS CAPITAL, L.L.C.
5327 Kings Crossing
Brooklyn Park, Minnesota 55443

MICHAEL TUFTE
1216 Cedar Lake Road South
Minneapolis, Minnesota 55416

DBJ 2001 HOLDINGS, LLC
5408 Stauder Circle
Edina, MN 55436

and it is also affiliated with Twin Cities Power, LLC, a Minnesota limited liability company and Twin Cities Power-Canada, ULC, an Alberta unlimited liability corporation incorporated in the province of Alberta, Canada (collectively, the "TCP Companies").

Twin Cities Energy carries on the business of trading electricity and electricity futures in the United States. On October 10, 2008, as amended on October 31, 2008, Twin Cities Energy's predecessor Alberta Power, LLC ("Alberta Power") filed in Docket No. ER09-47-000 a "Petition for Acceptance of Initial Tariff, Waivers and Blanket Authority" ("Petition") requesting authorization to sell electric energy at market-based rates and waivers granted to similar market-based rate applicants. Specifically, Alberta Power requested waiver of (1) Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except as to sections 35.12(a), 35.13(b), 35.15 and 35.16 and (2) Parts 41, 101 and 141 of the Commission's accounting and periodic reporting regulations. The Commission accepted Alberta Power's Petition and granted the requested waivers on November 25, 2008 to be effective December 10, 2008. The Commission also determined that Alberta Power is a Category 1 Seller.

In Docket No. ER09-728-000, TCE succeeded to Alberta Power's market-based rate tariff effective February 6, 2009.

Twin Cities Energy intends to operate as a wholesale power marketer, and will purchase the electricity to be exported, and enter into financial derivative contracts for its own account, in the wholesale markets throughout the United States.² All Twin Cities Energy power transactions will be at rates negotiated between Twin Cities Energy and its counterparts.

None of the TCP Companies own, operate or control any electric power transmission or distribution facilities in the United States. The TCP Companies also do not own, operate or control any electric generation assets. Neither Twin Cities Energy nor any of its affiliates holds a franchise or service territory for the transmission, distribution or sale of electric power at this time.

II.

Correspondence

Correspondence concerning this Application should be directed to the following:

Larry S. Severson
Severson, Sheldon, Dougherty & Molenda P.A.,
Suite 600, 7300 West 147th Street,
Apple Valley, Minnesota
55124-7580

Michael Tufte
Twin Cities Power, LLC
17725 Juniper Path
Lakeville, Minnesota
55044

² As used herein, the term "marketer" or "power marketer" means an entity that buys and sells electric power.

III.

Other Government Agencies Having Jurisdiction

Twin Cities Energy believes that the Department of Energy ("Department") is the only governmental agency that has authority over this application.

IV.

Description of Transmission Facilities

Twin Cities Energy proposes to export electricity energy through the transmission facilities at the United States border with Canada as set forth on Exhibit C, which includes the name of facility owners, as well as the Presidential Permit numbers under which the relevant border facilities were constructed and are maintained.

V.

Technical Discussion of Proposal

In previous orders granting export authorization to electric power marketers, the Department has indicated its reluctance to follow a rigid application of the information filing requirements contained in its regulations.³ Instead, the Department has employed a flexible approach, taking into consideration the unique nature of power marketers in terms of the Department's assessment of any reliability analysis. The Department has concluded that the existing technical analysis supporting the present export authorization *via* international border transmission facilities are sound, and will be applied to power marketers seeking to use these facilities.⁴ Twin Cities Energy respectfully requests that the Department continue to apply this standard during its review of the instant application.

³ See, e.g. *NorAm Energy Services, Inc.*, No. EA-105-CN (DOE August 16, 1996); *MidCon Power Services Corp.*, No. EA-114 (DOE July 15, 1996); *USGen Power Services*, No. EA-112 (DOE June 27, 1996); *CNG Power Services Corp.*, No. EA-110 (DOE June 20, 1996); *Destec Power Services Inc.*, No. EA-113 (DOE May 31, 1996); *North American Energy Conservation, Inc.*, EA-103 (DOE May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (DOE May 30, 1996); and *Enron Power Marketing, Inc.*, No. EA-102 (DOE February 6, 1996) ("Order No. EA-102").

⁴ Order No. EA-102 at 4-6.

Twin Cities Energy requests authority to transmit electric power to Canada as a power marketer through specified border facilities. As noted above, Twin Cities Energy does not own or control any power supply system in the United States. Twin Cities Energy will purchase the power to be exported from electric utilities, federal power marketing agencies, qualifying cogeneration, small power production facilities and exempt wholesale generators, as those terms are defined in the FPA, and other public utilities. Any power purchased by Twin Cities Energy for export would be surplus to the needs of those entities selling power to Twin Cities Energy.⁵ Thus, as required by FPA Section 202(e), Twin Cities Energy's exports will not impair the sufficiency of power in the United States, nor will the transactions impede or tend to impede the coordinated use of U.S. transmission facilities.⁶ Furthermore, Twin Cities Energy power exports will not adversely impact the reliability or stability of any power supply system utilized for such exports.

VI.

Compliance With Conditions and Procedures

Approval of this Application would foster a more efficient and competitive North American energy market. Thus, this Application is consistent with the North American Free Trade Agreement (1993) and United States energy policy.

Twin Cities Energy proposes to abide by the general conditions consistent with the Department's previous grants of authorization to power marketers as set forth in its previous orders, as described herein. From time to time, Twin Cities Energy will enter into agreements with third parties which involve the export of electric power from the United States to Canada. Twin Cities Energy's exports over the subject transmission facilities will not exceed the export limits for the facilities, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each. When scheduling delivery of power, Twin Cities Energy will comply with the applicable North American Reliability Council reliability criteria, standards and guidelines. Within thirty days following the end of each calendar quarter, Twin

⁵ See, e.g., *MidCon Power Services Corp.*, No. EA-114 at p. 4.

⁶ See Order No. EA-102 at 4-6.

Cities Energy will provide the Department with reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission.

VII.

Exhibits and Attachments

The following Exhibits and Attachment are included with this Application pursuant to 10 C.F.R. § 205.303:

- Exhibit A - Certificate of Michael Tufte
Officer and Director of Twin Cities Energy, LLC
- Exhibit B - Legal Opinion of Larry S. Severson,
Severson, Sheldon, Dougherty & Molenda P.A.
Counsel for Twin Cities Energy, LLC
- Exhibit C - Irrevocable Limited Power of Attorney
- Exhibit D - Transmission System Information (Submitted in lieu of maps)
- Exhibit E - Statement of any corporate relationships or existing contracts which in any
way relates to the control or fixing of electric power
- Exhibit F - Operating procedure regarding available capacity and energy

VII.

Other

Pursuant to 10 C.F.R. § 205.309 (2004), a copy of this Application has been served on the Secretary of Federal Energy Regulatory Commission.

IX.**Conclusion**

For the foregoing reasons, Twin Cities Energy respectfully requests that the Department expeditiously consider this Application and grant its requested blanket authority to transmit electric energy to Canada for a term of five (5) years, on substantially the same terms and conditions as applied to similarly-situated electric power marketers, which may be extended upon further application to the DOE.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Tufte", is written over a horizontal line. The signature is stylized with a large, sweeping loop.

Michael Tufte
Twin Cities Energy, LLC

Dated: May 18, 2009

Exhibit A

Certificate

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the Matter of:

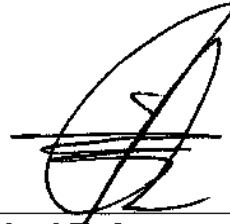
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Twin Cities Energy, LLC

Docket No. EA-_____

DECLARATION

I, Michael Tufte, director of Twin Cities Energy, LLC, a Minnesota limited liability corporation, declare under penalty of perjury that I am duly authorized by Twin Cities Energy, LLC to verify the foregoing Application on behalf of Twin Cities Energy, LLC and that to the best of my knowledge, information and belief, all of the statements contained in said Application are true and correct.



Michael Tufte
Director
Twin Cities Energy, LLC

Executed on May 18, 2009.

Exhibit B

Legal Opinion of Counsel for Twin Cities Energy, LLC

**SEVERSON, SHELDON,
DOUGHERTY & MOLEND, P.A.**

LARRY S. SEVERSON
JAMES F. SHELDON†
MICHAEL G. DOUGHERTY*
MICHAEL E. MOLEND†
LOREN M. SOLFEST *†
SHARON K. HILLS
ROBERT B. BAUER*
TERRENCE A. MERRITT†
ANNETTE M. MARGARIT
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MATTHEW J. SCHAAP
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JESSICA L. SANBORN
RYAN J. BIES
WILLIAM M. TOPKA
ERIN E. BOERSCHER

May 18, 2009

Mr. Anthony J. Como
Director, Permitting and Siting
Office of Electricity Delivery and Energy Reliability
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Sir:

**Re: Application of Twin Cities Energy, LLC to Transmit Electric Energy to Canada,
Docket No. _____**

Twin Cities Energy, LLC (the "Company") is the Applicant in the above referenced proceeding. We are the attorneys to the Company in the State of Minnesota, and for the purpose of providing this opinion letter, we have reviewed the Certificate of Incorporation of the Company granted by the Secretary of State of the State of Minnesota, dated as of March 27, 2008, the Company's Articles and By-Laws, the Certificate of Mr. Michael Tufte, a Director and officer of the Company, attached to the Application, and such other documents as we have deemed necessary in order to advise you that, as of the date hereof:

- 1.1 The Company is duly established, validly existing and in good standing under the laws of the State of Minnesota;
- 1.2 The Company has full corporate power and authority to act as a transmitter of electric energy to Canada; and
- 1.3 The Company will comply, in each case to the best of our knowledge based solely on the Certificate of Mr. Michael Tufte, with all pertinent federal and state laws.

Sincerely,

SEVERSON, SHELDON, DOUGHERTY & MOLEND, P.A.
Solicitors for Twin Cities Energy, LLC

/s/ Larry S. Severson

Larry S. Severson
LSS/pjk
Enc.
Direct Dial: 952-953-8843
E-Mail: seversonl@seversonsheldon.com

Executed on May 18, 2009.

Exhibit C

Irrevocable Limited Power of Attorney

IRREVOCABLE LIMITED POWER OF ATTORNEY

This irrevocable limited power of attorney is made May 18, 2009, by Twin Cities Energy, LLC (the "Principal"), a Minnesota limited liability corporation with its principal place of business at 17725 Juniper Path, Lakeville, Minnesota, 55044.

1. Appointment. The Principal hereby appoints Severson, Sheldon, Dougherty & Molenda P.A., whose principal place of business is at suite 600, 7300 West 147th street, Apple Valley, Minnesota, 55124-4517, as the Principal's true and lawful agent and attorney-in-fact ("Attorney-in-Fact") for the limited purpose described herein.
2. Scope of Authority. The Attorney-in-Fact shall have the limited power and authority to receive service of process for any and all matters relating to the Principal's application before the U.S. Department of Energy to transmit electric energy to Canada, filed pursuant to 10 C.F.R. §§ 205.300 *et seq.*
3. Irrevocability. This power of attorney is irrevocable by the Principal, subject only to the Principal's right to re-designate, or substitute the Attorney-in-Fact upon thirty days prior written notice to the U.S. Department of Energy and the Attorney-in-Fact.

IN WITNESS WHEREOF, the Principal has caused this power of attorney to be duly executed on this 18th day of May, 2009.

By: 

Michael Tufte
Director
Twin Cities Energy, LLC

This instrument was acknowledged before me on the 18th day of May, 2009 in Apple Valley, Minnesota 55124.


Lars S. Severson

Attorney for Twin Cities Energy, LLC

Exhibit D

Transmission System Information

TRANSMISSION SYSTEM INFORMATION
UNITED STATES INTERCONNECTIONS WITH CANADA

Owner	Location	Voltage	Presidential Permit
Basin Electric Power Cooperative	Tioga, ND	230-kv	PP-64
BPA	Blaine, WA	2-500-kv	PP-10
	Nelway, WA	230-kv	PP-36
	Nelway, WA	230-kv	PP-46
Citizens Utilities Company	Derby Line, VT	120-kv	PP-66
Eastern Maine Electric Cooperative	Calais, ME	69-kv	PP-32
International Transmission Company	St. Clair, MI	230-kv	PP-230
	Marysville, MI	230-kv	PP-230
	Detroit, MI	230-kv	PP-230
	St. Clair, MI	345-kv	PP-230
Joint Owners of Highgate Project	Highgate, VT	120-kv	PP-82
Long Sault, Inc.	Massena, NY	2-115-kv	PP-24
Maine Electric Power Company	Houlton, ME	345-kv	PP-43
Maine Public Service Company	Limestone, ME	69-kv	PP-12
	Fort Fairfield, ME	69-kv	PP-12
	Aroostock County, ME	138-kv	PP-29
	Madawaska, ME	2-69-kv	PP-29
Minnesota Power, Inc.	International Falls, MN	115-kv	PP-78

Minnkota Power Cooperative, Inc.	Roseau County, MN	230-kv	PP-61
New York Power Authority	Massena, NY	765-kv	PP-56
	Massena, NY	2-230-kv	PP-25
	Niagara Falls, NY	2-345-kv	PP-74
	Devils Hole, NY	230-kv	PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230-kv	PP-190
Northern States Power Company	Red River, ND	230-kv	PP-45
	Roseau County, MN	500-kv	PP-63
Vermont Electric Transmission Co.	Norton, VT	+/-450-kv(DC)	PP-76

Exhibit E

**Statement of any Corporate Relationships or Existing Contracts
Which in any way Relates to The Control or Fixing of Electric Power**

Not Applicable

Exhibit F

Operating Procedures regarding Available Capacity and Energy

Not Applicable